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Senate Bill 612 (Substitute S-1 as reported)
Sponsor: Senator Curtis S. VanderWall
Committee: Health Policy and Human Services

CONTENT

The bill would amend Chapter 34 (Disability Insurance Policies) and Chapter 22 (The Insurance Contract) of the Insurance Code to do the following:

- Delete various provisions pertaining to expedited review of a prior authorization request.
- Require an insurer that delivered, issued for delivery, or renewed in the State a health insurance policy that required a prior authorization with respect to any benefit to make available, by April 1, 2021, a standardized electronic prior authorization request transaction process.
- Require prior authorization requirements to be based on peer-reviewed clinical review criteria that met certain requirements.
- Require an insurer to make available annually statistics regarding prior authorization that contained the information prescribed in the bill.
- Prohibit an insurer from implementing a new or amended prior authorization requirement without first updating the insurer's public website to reflect the change.
- Require an insurer to notify a health professional of the reasons for a prior authorization denial and specify that an appeal to the denial would have to be reviewed by a physician that met certain requirements.
- Require an insurer to ensure that an adverse determination was made by a licensed physician.
- Specify the circumstances under which a prior authorization request would have to be considered granted by an insurer.
- Modify certain requirements for a program for synchronizing multiple maintenance prescription drugs for an insured or enrollee.
- Prohibit an insurer from requiring, among other things, that an insured's or an enrollee's physician participate in a step therapy protocol if the physician considered that the step therapy protocol was not in the insured's or enrollee's best interest.
- Require an insurer to adopt a program that promoted the modification of prior authorization requirements based on considerations specified in the bill.

MCL 500.2212c et al.

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on State government and no fiscal impact on local units of government. The Department of Insurance and Financial Services could experience increased administrative costs related to monitoring insurers' compliance with the proposed requirements. However, many of these costs likely would be sufficiently funded by existing appropriations.

Date Completed: 10-1-20

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Bill Analysis @ www.senate.michigan.gov/sfa

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